

## Message Text

UNCLASSIFIED

PAGE 01 STATE 270313

53

ORIGIN COME-00

INFO OCT-01 EA-09 ISO-00 EB-07 USIA-15 AID-05 XMB-04 /041 R

DRAFTED BY COM/BIC/OIM/MVWEBBERT/SIN/238

APPROVED BY EB/OCA/CD:EMFEATHERSTONE

COM/BIC/OIM/TCMOORE, CMM/238

COM/BIC/OED/SCONGER (INFO)

STATE/EB/OCA/CD/EMFEATHERSTONE

STATE/EA/IMS/ADORNHEIM

STATE/EA/EP/MHENDERSON

STATE/USIA/IEA/PCAUSEY (INFO)

EXIMBANK/KWICKETT (INFO)

----- 023730

R 141914Z NOV 75

FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA

AMCONSUL MEDAN

AMCONSUL SURABAYA

UNCLAS STATE 270313

E.O. 11652: N/A

TAGS: BEXP, ID

SUBJECT: REVIEW OF FY 1975 COUNTRY COMMERCIAL PROGRAM

REF: (A) JAKARTA 11402; (B) STATE 226282; (C) JAKARTA  
11756

1. WASHINGTON COMMERCIAL ACTION GROUP (WCAG) MET OCTOBER 3  
AT COMMERCE TO REVIEW POST'S FOURTH QUARTER FY 1975 CCP  
REPORT (REF A) AND OTHER MATTERS RELATED TO FY 1975 COUNTRY  
COMMERCIAL PROGRAM. WHILE USIA REP UNABLE ATTEND, FULL  
CONTINGENT COMMERCE/STATE REPS AND ONE REP EXIMBANK PARTI-  
CIPATED. GROUP FELT REF A WAS VERY GOOD SUMMARY AND WAS  
PLEASED WITH EMBASSY'S VIEW OF CCP AS USEFUL MANAGEMENT  
TOOL.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 270313

2. USDOC COUNTRY MARKETING MANAGER (CMM) MOORE CHAIRED

MEETING AND NOTED USDOC UNDER STRONG PRESSURE FROM INDUSTRY TO STEP UP PROMOTIONAL ACTIVITIES IN INDONESIA. CMM NOTED THAT IT IS NOW ONE AND ONE-HALF YEARS SINCE LAST MAJOR PROMOTION ACTIVITY IN INDONESIA (USAQUIP'74) AND THAT RENEWED EFFORT WOULD BE TIMELY AND APPROPRIATE. ALSO NOTED

POST'S CONCERN ABOUT MARKET VIABILITY OF SOME CATEGORIES OF PRODUCTS AND QUESTIONS RE EFFECTIVENESS OF SOME TYPES OF PROMOTION PROGRAMS, BUT CONCLUDED THAT POTENTIAL MARKET SIZE, OUTSIDE PRESSURES FROM INDUSTRY AND INDONESIA'S POSITION AS AN EMERGENT MARKET MADE NEW MAJOR EFFORT IN NEAR FUTURE ADVISABLE.

3. WCAG REVIEWED ACTIONS A THROUGH E.

(A) ACTION B. WCAG ACKNOWLEDGED SUCCESS CITED BY EMBASSY IN MAJOR PROJECT APPROACH IN KEY SECTORS. NEVERTHELESS, COMMERCE REGRETTED INABILITY OF EMBASSY TO FOLLOW THROUGH ON FY 1975 CCP PROPOSED ACTION TO ANALYZE REPELITA II. WHILE STATE REP POINTED OUT LIMITATIONS OF GOI PLAN, COMMERCE NOTED THAT DESPITE THEIR FLAWS, DEVELOPMENT PLANS PUT OUT BY MAJOR COUNTRIES GENERATE CONSIDERABLE INTEREST ON PART OF U.S. INDUSTRY, TRADE ASSOCIATIONS AND OTHER PUBLIC/PRIVATE AGENCIES. GOI PLAN ALSO EXPECTED TO CONTRIBUTE TO COMMERCE'S SECTORAL STUDY ON INDONESIA.

(B) ACTION C. COMMERCE NOTED POST REMINDER TO PREPARE PROMISED REPLY AND WILL DO SO SHORTLY.

(C) ACTION D. COMMERCE APPRECIATES EMBASSY SUPPORT OF TRADE PROMOTION ACTIVITIES SPECIFIED. CONCERNED, HOWEVER, THAT JAKARTA BUSINESS BULLETIN IS NOT BEING USED TO ADVERTISE USRTC EVENTS (E.G., NO ANNOUNCEMENTS OF JANUARY 1975 MEDICAL EQUIPMENT DISPLAY MADE IN NOVEMBER OR DECEMBER 1974 ISSUES AND NO MENTION OF FUTURE EVENTS MADE IN FIRST SIX 1975 ISSUES).

(D) ACTION E. WCAG NOTED REPORTED PROGRESS, INCLUDING IMPROVEMENT IN LEVEL OF FSL PERFORMANCE AND RESPONSIBILITY, AND DIFFICULTY OF ATTAINING SOME OF OBJECTIVES WITHIN UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 270313

BUDGET LIMITATIONS AND AVAILABILITY OF QUALIFIED FSL STAFF. IMPROVEMENT IN POST PERFORMANCE ON REQUESTS FOR AGENCY DISTRIBUTOR SERVICE NOTED AND APPRECIATED. RE CONVERSION OF JAKARTA BUSINESS BULLETIN TO COMMERCIAL NEWSLETTER, COMMERCE FELT MORE PROGRESS NEEDED TO BE MADE IN UPGRADING PUBLICATION (E.G., IMPROVED APPEARANCE, WIDER DISTRIBUTION, AND GREATER EMPHASIS ON NEW PRODUCTS, INCLUDING PHOTOGRAPHS). FOR JAKARTA'S INFORMATION PUBLICATIONS OF SEVERAL

OTHER EA POSTS BEING FORWARDED FOR INFORMATION.

4. RE ACCOMPLISHMENTS:

(A) WCAG IMPRESSED WITH TREMENDOUS EXPORT PAYOFF FROM EMBASSY EFFORT TO INCREASE EXIMBANK FINANCING AND APPRECIATES TIME REQUIRED TO WORK WITH GOI OFFICIAL, U.S. BIDDERS, AND U.S. BANKS. WHILE THIS ENVISAGED AS CONTINUING ACTIVITY, WOULD EXPECT THAT INTENSIVE EDUCATION REQUIRED IN FY 1975 WOULD BE AT CONSIDERABLY LOWER LEVEL IN FUTURE AND THAT EMBASSY CAN BECOME MORE SELECTIVE IN ALLOCATING MANPOWER RESOURCES TO THIS ACTIVITY. NOTED ALSO POST COMMENT (REF C) ON INCREASING GOI RELUCTANCE USE EXIMBANK FINANCING.

(B) WCAG AGREED SUGAR TASK FORCE VISIT TO SURABAYA WAS HIGHLY SUCCESSFUL EVENT AND APPRECIATES EFFORTS OF BOTH SURABAYA AND JAKARTA. RE FINANCING, EXIMBANK REP POINTED OUT INDONESIANS SO FAR HAVE NOT REQUESTED EXIMBANK FUNDS FOR SUGAR PROJECT.

(C) RE BUSINESS VISITORS (2,300 IN FY 1975) WCAG CONCERNED WITH RESOURCE ALLOCATION REQUIRED TO COUNSEL CONTINUING HIGH NUMBER OF BUSINESS VISITORS. COMMERCE HOPES THAT LOCAL U.S. BANKS CAN BE UTILIZED MORE FULLY IN HANDLING INQUIRIES, SINCE MANY OF THESE BELIEVED TO REQUIRE INVESTMENT COUNSELING. ALL MEMBERS AGREED THAT FURTHER REVIEW OF BUSINESS ASSISTANCE ACTIVITIES AND TECHNIQUES WOULD BE HELPFUL. WHILE NO MANPOWER ALLOCATIONS FOR BUSINESS SERVICES ARE SPECIFICALLY PROVIDED IN THE FY 1975 CCP, IN THE FY 1976 CCP THEY ARE EXPECTED TO ABSORB 29 PERCENT OF FSO MAN DAYS (36 PERCENT IF DEFERRED ACTIVITIES ACCOMPLISHED THROUGH OVERTIME ARE INCLUDED).

UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 270313

5. TWO MAJOR SOURCES OF FRUSTRATION CITED BY POST WERE REVIEWED. RE POST'S TIME REQUIRED FOR QUOTE PROMOTIONAL EVENTS END QUOTE, TO WHICH THE CCP ASSIGNS LOWER PRIORITY, WCAG FELT REQUIREMENT TO SUPPORT SINGAPORE USRTC EVENTS AND SUPERVISE AND EVALUATE MARKET RESEARCH WAS PROVIDED FOR IN FY 1975 CCP (ACTION D, P.9) ALTHOUGH SUPERVISION OF GLOBAL MARKET RESEARCH STUDIES WAS NOT SPECIFICALLY INCLUDED. WHILE THE FY 1975 CCP DOES NOT PROVIDE DETAILS OF MAN-DAY RESOURCES ALLOCATED THIS ACTIVITY, A SIMILAR LEVEL OF ACTIVITY IN FY 1976 CCP (PAGE 10, ACTIVITIES 4.1 AND 4.2) ACCOUNTS FOR ONLY ONE AND ONE-HALF PERCENT OF TOTAL MAN-DAYS. CMM NOTED THAT MARKET BRIEFS OR OTHER RESEARCH REPORTS WERE NOT REQUIRED OF JAKARTA IN FY 1975 AND THAT COMMERCE, IN ORDER TO EASE BURDEN ON POST, SPENT MORE ON

CONTRACT RESEARCH IN INDONESIA IN FY 1975 THAN ANYWHERE ELSE IN USRTC AREA. ALSO, NO POST-CONDUCTED RESEARCH WAS BEING REQUESTED IN FY 1976. AS STATED ABOVE, COMMERCE DOES RECOGNIZE OCCASIONAL PROBLEMS POST HAS WITH USRTC THEMES, BUT STRESSES THAT IT MUST CHOOSE THESE WITH REGIONAL IMPACT IN MIND. CMM EXPLAINED THAT USRTC EVENTS SCHEDULED ONLY AFTER POSITIVE MARKET RESEARCH PROSPECTS HAVE BEEN IDENTIFIED IN BOTH SINGAPORE AND ONE OTHER COUNTRY IN REGION.

6. COMMERCE WILL KEEP INDONESIAN NEEDS IN MIND IN THEME SELECTION PROCESS. GUIDELINES ON USE OF COMMERCE FUNDS FOR POST-INITIATED THEMES BEING PROVIDED IN SEPARATE USDOC MESSAGE BEING SENT THIS WEEK.

7. RE SECOND PROBLEM, ONLY GENERAL GUIDELINES ARE AVAILABLE ON EXIMBANK LENDING. THESE HAVE BEEN TRANSMITTED IN REF B. EXIMBANK REP REITERATED REQUEST MUST COME FROM GOI, USUALLY THE MINISTER OF FINANCE. CONTINUED CLOSE CONTACT WITH THAT MINISTRY SUGGESTED.

8. WCAG COMMENDS POST FOR TIMELY SUBMISSION OF CERP REPORTS, ESPECIALLY ECONOMIC TRENDS AND WORLD TRADE OUTLOOK REPORTS. IT NOTES, HOWEVER, THAT CCP REPORTING HAS NOT MET REQUIREMENTS. SPECIFICALLY, POST SUBMITTED ONLY TWO CCP REPORTS DURING 1975, ONE OF WHICH (REF A) WAS CONSIDERED UNCLASSIFIED

UNCLASSIFIED

PAGE 05 STATE 270313

ABLY OVERDUE. KISSINGER

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 NOV 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE270313  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** BIC/OIM/MVWEBBERT/SIN/238  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750398-0973  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19751145/aaaabnys.tel  
**Line Count:** 202  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN COME  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 JAKARTA 11402, 75 STATE 226282  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** buchant0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 08 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <08 SEP 2003 by ReddocGW>; APPROVED <23 FEB 2004 by buchant0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** REVIEW OF FY 1975 COUNTRY COMMERCIAL PROGRAM  
**TAGS:** BEXP, ID  
**To:** JAKARTA SURABAYA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006